

Need a guest speaker?

If you are a teacher, belong to a civic group, fraternal organization or community service club and would like a guest speaker at an upcoming event, I would be honored and pleased to attend your function and report on the issues and developments in the Legislature. Or, if you prefer, I can tailor my remarks to address the particular area of concern of your membership. Please contact me at (360) 786-7858 or cairnes_ja@leg.wa.gov



Keep up with what your lawmakers are doing in Olympia.

www.hrc.leg.wa.gov/members/cairnes.htm

For the latest breaking news from your State Capitol, cut along the dotted line and keep this address near your computer. From here, you can also send me comments and suggestions. I look forward to hearing from you.

Jack
Jack

Rep. Jack Cairnes

PO Box 40600
Olympia, WA 98504

(360) 786-7858
1-800-562-6000

E-mail: cairnes_ja@leg.wa.gov

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P.O. Box 40600
Olympia, WA 98504

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Rep. Jack Cairnes

428 John L. O'Brien Building
P.O. Box 40600
Olympia, WA 98504-0600

Phone:
360-786-7858

Legislative Hotline:
1-800-562-6000 (toll-free)

E-mail:
cairnes_ja@leg.wa.gov

Committees:
Finance, *ranking Republican*
Financial Institutions & Insurance

Legislative info on the Internet:
www.leg.wa.gov

Internet page:
<http://hrc.leg.wa.gov/members/cairnes.htm>

State government on the Internet:
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2003 Jobs Report to the 47th District

Dear friend,

My top legislative priority for 2003 was straightforward: keep Boeing here and bring new jet production here. A majority of legislators and the governor agreed. Together we adopted important bills that make Washington a solid contender for the 7E7 project, and a more inviting place for any employer.

The Legislature helped set the stage for a return to economic prosperity by working with employers to address and resolve issues that have been dragging them down, and by holding the line on taxes. As 2004 draws near, I am optimistic Washington's economy will begin to turn around soon, to mirror the dramatic improvements we're seeing nationally.

It is a pleasure and honor to serve as your state representative. Remember, I am your representative all the time, not just when the Legislature is in session. If you need help dealing with a government agency, or have questions about something the Legislature did this year, please send me a letter or e-mail, or call. I am always happy to hear from you.

Thank you,
Jack Cairnes
Jack Cairnes, State Representative



2003 Jobs Report to the 47th District

JOB: ***Working to land Boeing's 7E7 jetliner project***

Regulatory reforms make Washington a better place to do business

The national competition to attract Boeing's upcoming 7E7 jetliner assembly really grabbed the attention of the Legislature this year. An estimated 80 sites in more than 20 states (17 communities in Texas alone) jumped into the contest. Whether Washington could present a strong bid depended on whether we would adopt reforms to improve the state's business climate. Throughout the session, Boeing's representatives and officials from the various labor unions came together in my office to talk about what we could do together to make this happen. Here is what we accomplished:

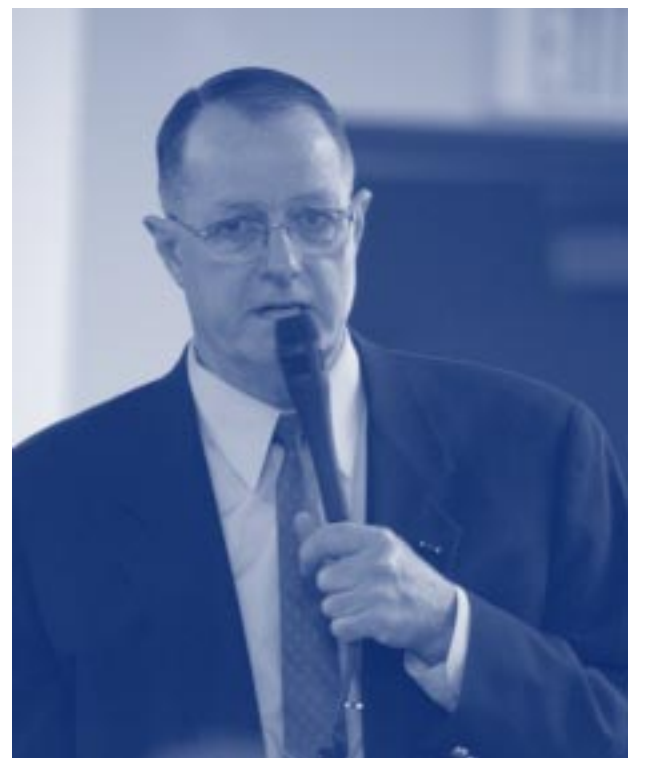
- **Overhauling the unemployment insurance (UI) system:** Washington has the third-highest unemployment insurance cost in the nation. Many employers look at this cost when deciding whether to set up business in our state (or remain in our state, in Boeing's case). Without reforms, we simply can't compete. For example, unemployment taxes cost Boeing \$772 per worker per year. Compare that to California, which is \$394 less. Our state's high-

cost unemployment insurance system was a huge barrier that had to be overcome.

Senate Bill 6097, passed with bipartisan support, reformed the UI tax structure to better reflect real-world layoff experience. It also brings the UI system back into line with its original purpose: to help people who have become unemployed unexpectedly. Even with the overhaul, our UI system is still one of the most generous in the nation. We also designated \$40 million for worker retraining benefits, giving first priority to workers who have exhausted their normal UI benefits.

- **Bringing fairness to workers' compensation:** Senate Bill 5271 will preserve medical benefits for injured workers, but could save up to \$200 million over the next two years alone, by reducing the number of hearing-loss claims being improperly charged to employers.
- **Tax incentives:** We supported a package of significant tax incentives for Boeing (House Bill 2294) which will take effect only if the 7E7 work comes to Washington.

Boeing's facilities are here. We have the educated and willing workforce Boeing needs. The passage of these bills indicated state government finally is getting on board as well, ready to make Washington a more job-friendly state.



TAXES: Budget balanced without general tax increase

New plan sends positive signal about state's financial discipline

This year the Legislature was required to write a new state operating budget, to pay for things like education and social and health services in 2003-05. The cost of automatically maintaining the range and level of public services available would have left the state \$2.7 billion short. House and Senate members had two choices: raise taxes or reduce services to an affordable level. We ultimately agreed on a budget balanced **without a tax increase**. This was crucial, because raising taxes would do nothing to help our employers or families.

The compromise budget allocates a little more than \$23 billion for state government operations in 2003-05. That's just 2 percent larger than the 2001-03 budget – the smallest growth from one budget to the next in **at least 40 years** in our state.

A number of House members wanted to raise taxes (a general sales tax increase and a tax on candy and gum were among the proposals). On the 104th day of the 105-day legislative session, a majority in the House voted for a spending plan that would raise taxes by \$360 million. I voted no, knowing that we can't tax ourselves back to prosperity.

It took 31 more days of work, spread across two "special" sessions, for the Legislature to arrive at a compromise that would save taxpayers – individuals and employers – hundreds of millions of dollars.

Decision on education funding is major disappointment: Education and economic prosperity go hand in hand two ways. First, we owe our children the best possible preparation for entering the workforce. Second, the quality of an education system is a factor in attracting employers. That's why it was such a setback when a majority of legislators voted to use funding committed by Initiatives 728 (class size reduction) and 732 (teacher COLAs) to help close the state's budget deficit. I voted against doing so.

The 2003-05 state operating budget still provides \$398 million for I-728, raises salaries of first-year teachers to at least \$30,000 annually, and boosts pay for teachers with seven or fewer years in the classroom. However, that does not represent full funding. I hope the no-new-tax budget and other legislative actions taken this year promote enough economic growth to enable a return to full funding for these important education initiatives in the next budget cycle.

Private jobs = public services

Why the economic forecast matters to everyone

Some state services, like K-12 education, are required by Washington's constitution. Others, like social and health services, are not mandated – but they increase the quality of life for our citizens. It's important to remember none of those services would be possible without the private employers who pay taxes and provide jobs to Washington citizens, enabling them to also pay taxes.

There's a direct connection between jobs and the state budget: fewer businesses staying in Washington means fewer people at work and less tax revenue to support public services.

The latest economic forecast from the state Revenue Forecast Council, of which I am a member, did not show strong signs of a recovery in Washington. However, I believe an upswing is coming. The regulatory reforms and tax incentives that came out of the 2003 legislative session were a good start, in light of the job losses the Puget Sound area has seen in the aerospace and manufacturing sectors. Unfortunately, three bills I sponsored to promote research and development by manufacturers did not receive adequate support this year.

I believe government should act less as an adversary and more as a partner with employers, to help them stay and grow. That's the best way to revive our economy, support public services and keep both strong for years to come.

TRANSPORTATION: ***Moving people and products efficiently***

Relieving traffic congestion is key to attracting, preserving jobs

The Legislature agreed on a plan to build the roads and make the highway improvements that will relieve the traffic congestion that frustrates our citizens and stifles economic development.

The transportation budget adopted for 2003-05 is supported by revenues from a five-cent increase in the gas tax (the first gas-tax increase since 1991), a 15 percent increase in truck weight fees and a 0.3 percent increase in the sales tax on vehicle purchases. The money will go largely to Puget Sound area highway projects, but also public transit and ferries.

I voted no. I couldn't in good conscience vote for a transportation package that includes more money for transit. King County residents already pay taxes specifically for transit, and I believe transit already receives its fair share.

I preferred the reform-based transportation investment strategy put forth by House Republicans. It would have given taxpayers the most "miles per dollar." The package the Legislature eventually approved is a blend of other proposals that don't contain as many dollar-stretching and taxpayer-protecting features. Still, it lays the groundwork for what I hope are significant improvements to our state's transportation infrastructure.

Update on the Ravensdale Market

I am continuing to stay in touch with the owners of the historic Ravensdale Market, who are seeking county certification of the well that supplies their store and adjacent home with water. I have been to the market and offered to supply any state-level assistance I can. As you read this, the owners may be close to receiving an answer from the county. I hope it's a positive answer – we need community resources like this!